FY 2017-18
Accountability Report
Guidelines & Instructions

State of South Carolina
Department of Administration
Executive Budget Office
July 2018

THE SOUTH CAROLINA
DEPARTMENT of ADMINISTRATION

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Questions and Assistance

Questions and requests for technical assistance related to the Annual Accountability Report Process may be directed to:

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Guidelines and Instructions

THE SOUTH CAROLINA
DEPARTMENT of ADMINISTRATION

I. Introduction

The format for agencies' annual accountability reports is governed by aspects of both permanent and temporary law. The relatively brief passages identify two key purposes of these reports; they must provide the Governor and General Assembly with information that supports their analysis of the budget and ensure that the Agency Head Salary Commission has a basis for its decisions.

In terms of required content, the laws demands are limited:

- The reports "must contain the agency's or department's mission, objectives to accomplish the mission, and performance measures that show the degree to which objectives are being met." (§1-1-820 of SC Code of Laws)
- Agencies must "identify key program area descriptions and expenditures and link these to key financial and performance results measures." (Proviso 117.29 of the FY 2018-19 Appropriations Act)

Two years ago, two significant changes were introduced in the framework and intent of the reporting templates which highlighted South Carolina's statewide enterprise strategic objectives and the integration of annual accountability and restructuring reporting requirements. These two changes remain constant this year; however, minor revisions are made to some of the reporting templates. The revised templates are explained further in this document.

II. Submission Process

All forms must be submitted electronically **by September 15, 2018** to Lauren Henry (Lauren.Benjamin@admin.sc.gov) in both the original format (Word or Excel) and saved as a PDF for online reporting. The signed copy of the Submission Form should be mailed to: Lauren Henry, Executive Budget Office, 529 Edgar A. Brown Building, 1205 Pendleton Street, Columbia, SC 29201.

III. Statewide Enterprise Strategic Objectives

South Carolina's Statewide Enterprise Strategic Objectives remain the same in this year. Agencies are required to integrate these Enterprise Strategic Objectives in their own strategic planning and identify **the enterprise strategic objective that is linked to each agency-level future looking goal.** The technical features of the strategic planning template and how to form **S.M.A.R.T [Specific, Measurable, Attainable, Relevant and Time-bound]** goals and objectives are explained further in this document.

The Figure 1 lists Statewide Enterprise Strategic Objectives for the State of South Carolina.

Figure 1. Statewide Enterprise Strategic Objectives

Education, Training and Human Development

- **Improve educational infrastructure to elevate the levels of educational preparedness of every South Carolinian to lead a healthy and productive life, including success in a job or career and in the community.**

Healthy and Safe Families

- **Enhance public well-being by delivering efficient and cost-effective public health and support services.**

Maintaining Safety, Integrity and Security

- **Protect the safety, integrity and security of statewide public resources, data, infrastructure and citizens including timely response to emergencies, disasters and emerging threats.**

Public Infrastructure and Economic Development

- **Build a world-class and safe public infrastructure to enhance the quality of life of our citizens and to promote the state in global competiveness as a location for business, investment, talent, innovation and visitors.**

Government and Citizens

- **Deliver a government that serves the needs of South Carolinians and achieves inter-agency collaboration to deliver highly effective, efficient and innovative programs.**

IV. Submission Form and the Agency's Discussion and Analysis Section

The Submission Form is a Word document; the remaining elements of the accountability report will be completed in Excel. Double-click on the document's header to enter your agency's name, code and section number. In the main body of the form, please provide your agency's mission statement and contact information. An agency with a governing board or commission should have its submission signed by both the Agency Head and the Board/Commission Chair.

The "Agency's Discussion and Analysis" section provides agency leadership with an opportunity to comment on internal and external factors affecting the agency's performance in the past year, the agency's current efforts and the associated results (referencing information presented elsewhere in the accountability report), and any plans now under development to introduce additional changes. An organization chart showing the structure and **the first three levels of chain of command** of your agency must be included in this section. The organization chart must include **title of the position** and the **name of employee** who holds that particular position.

The "Agency's Discussion and Analysis" section requires the agency to identify and explain the following **two subsections:**

I. **Risk Assessment and Mitigation Strategies:** In this subsection, the agency is required to identify the potential most negative impact on the public as a result of the agency's failure in accomplishing its goals and objectives. The agency also should explain the nature and level of outside help it may need to mitigate such negative impact on the public. Lastly, the agency should list up to three options for the General Assembly to help resolve the issue before it becomes a crisis.

II. **Restructuring Recommendations:** In this subsection, if the agency responded yes to the Restructuring Recommendations box on the Submission Form, list the recommendation(s) for internal or law changes and address the need or reason for the proposed restructuring, provide any data to support the agency's reasoning and outline a plan to implement the restructuring recommendation(s).

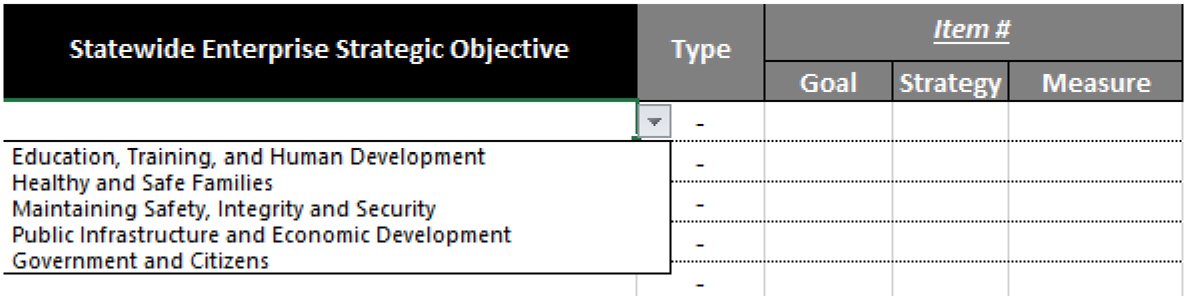
The "Agency's Discussion and Analysis" section, including two subsections **should NOT exceed 8 pages, or no more than 10 pages when including any charts or graphs.**

V. Strategic Planning and Performance Measurement Template

The individual Strategic Planning and Performance Measurement templates from prior years have been combined into one template. Now there are two separate Strategic Planning and Performance Management Templates each for fiscal year 2017-18 and fiscal year 2018-19. Begin by selecting your agency's name from the drop-down list in the shaded field at the top of the form. After selecting your agency's name, the agency code and section number will be automatically displayed. The rest of the templates are programmed to automatically display this information at the beginning of each template.

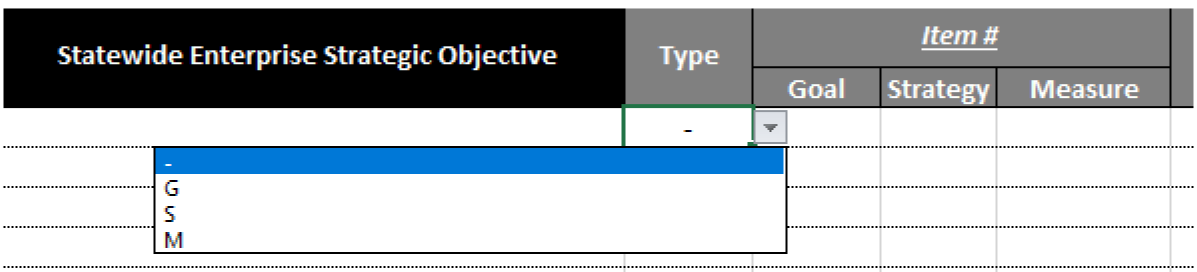
Agencies are required to identify **the Statewide Enterprise Strategic Objective that is directly associated with each agency-level goal**. As shown in Figure 2, use the drop-down arrow under the "Statewide Enterprise Strategic Objective" heading in Column A to select statewide enterprise objective associated with at least one agency-level goal.

FIGURE 2. STATEWIDE ENTERPRISE STRATEGIC OBJECTIVE DROP-DOWN



After selecting Enterprise Strategic Objective, agencies will identify associated goals, strategies and performance measures. Each row of this spreadsheet will format itself based upon the value selected under the "Type" heading in Column B. As shown in Figure 3, use the drop-down arrow to select "G" for a goal, "S" for a strategy, or "M" for a performance measure.

FIGURE 3. GOAL, STRATEGY OR MEASURE DROP-DOWN ARROW



Items should be numbered in the "1.1.1" format as shown in Figure 4. The second measure under the third strategy that supports an agency's first goal would be identified as "1.3.2". Please number each item in the appropriate column, as demonstrated in Figure 4.

FIGURE 4. NUMBERING GOALS, STRATEGIES AND MEASURES

Statewide Enterprise Strategic Objective	Type	Item #			Description
		Goal	Strategy	Measure	
Healthy and Safe Families	G	1			Reform, Strengthen, and Modernize the State's Healthcare System
	S		1.1		Promote affordable healthcare, while balancing spending on premiums, deductibles, and out-of-pocket costs
	M			1.1.1	Growth rate of Medicare spending
	M			1.1.2	Growth rate Medicaid spending
	M			1.1.3	Growth rate Out-of-pocket spending

Performance Measures need to be organized by each strategy. To enhance the quality of reporting and effectiveness of performance measures, agencies are **highly recommended to limit the number of performance measures to three for each of the associated strategy**.

The next four columns (L-O) are all related. Each value for a measure should be reported in a way it can be meaningfully compared to the other values. For instance, if an agency captures information for a measure on a quarterly basis and uses the March 31, 2018 record as the "Actual Value" because the June 30, 2018 information is not yet available, then the "Base Value" "Target Value" data should be as of April 1, 2017 and March 31, 2018, respectively. **FY 2017-18** values are described as follows.

Base Value: The last value recorded as of July 1, 2017 or another reference date in FY 2017- 18.

Target Value: The aspirational value to be achieved as of June 30, 2018 or another reference date in FY 2017- 18.

Actual Value: The actual current value (compared to aspirational value) as of June 30, 2018 or another reference date in FY 2017-18.

Time Applicable: This field should identify the date or time for which the four reported values apply. For instance, it might state "June 30" if a snapshot value is taken on the final day of each year or "July 1 – June 30" if the values encompass the entire fiscal year.

<u>FIGURE 5. SAMPLE PERFORMANCE MEASUREMENT VALUES</u>

Description	2017-18 Base Value	2017-18 Target Value	2017-18 Actual Value	Time Applicable
Reform, Strengthen, and Modernize the State's Healthcare System				
Promote affordable healthcare, while balancing spending on premiums, deductibles, and out-of-pocket costs				
Growth rate of Medicare spending	4.8%	4.0%	3.6%	7/1/2017-6/30/2018
Growth rate Medicaid spending	8.2%	6.0%	5.3%	7/1/2017-6/30/2018
Growth rate Out-of-pocket spending	2.8%	3.5%	3.9%	7/1/2017-6/30/2018

In the "Data Source and Availability" [Column P] field as shown in Figure 6, agencies should explain how and from where the information is gathered for a measure, along with how often that information is updated.

In some cases, agencies — or their sources — must perform one or more calculations to convert raw data into a performance measure value that will appear in this report. For instance, the Department of Probation, Parole and Pardon Services' most recent accountability report contained a performance measure on "percentage of inmates released to supervision under mandatory release programs with an approved residence plan" along with an explanation of how this value was calculated [Number of inmates with an approved residence plan /Total Number of inmates released]. The formula used to develop this statistic would be presented in Column Q.

In the "Meaningful Use of Measure" [Column K] field, agency is required to explain how tracking a performance measure would help the agency achieve its goal and strategy. In other words, this field should explain how a measure helps the agency leadership to evaluate the efficiency of its programmatic efforts and to focus on meaningful and highest-priority projects.

FIGURE 6. SAMPLE PERFORMANCE MEASUREMENT DATA SOURCE, CALCULATION AND MEANINGFUL USE

Data Source and Availability	Calculation Method	Meaningful Use of Measure
CMS, AHRQ, and FDA: Healthcare Expenditure Data System -- Monthly	Statewise aggregated health spending data by major sources of funds	Promotes sound fiscal stewardship and allows to control healthcare spending
CMS, AHRQ, and FDA: Healthcare Expenditure Data System -- Monthly	Statewise aggregated health spending data by major sources of funds	Promotes the use of high-quality, lower-cost healthcare providers, such as community health workers and community organizations, where appropriate
CMS, AHRQ, and FDA: Healthcare Expenditure Data System -- Monthly	Statewise aggregated health spending data by major sources of funds	Promotes the use and benefits of generics through beneficiary and partner educational campaigns

Once the FY 2017-18 template is completed, agencies should follow the similar steps and logic to complete the FY 2018-19 template. Agencies may formulate different goals, strategies and measures for FY 2018-19 than their strategic plan developed in FY 2017-18 template. Performance measurement values for **FY 2018-19** are described as follows.

Base Value: The last value recorded as of July 1, 2018 or another reference date in FY 2018- 19.

Target Value: The aspirational value to be achieved as of June 30, 2019 or another reference date in FY 2018- 19.

Actual Value: The actual current value (compared to aspirational value) as of June 30, 2019 or another reference date in FY 2018-19. Agencies may leave this field blank or note as "TBD" due to absence of future data.

The FY 2018-19 template submitted by agencies will be returned to them individually next year to update the Actual Value data.

**** Please delete any unused rows up to Row 200 before submitting both FY 2017-18 and FY 2018-19 templates. ****

VI. PROGRAM TEMPLATE

The Program Template shown in Figure 7 is an Excel spreadsheet. Agencies should identify each program in Column A, based upon how they were identified in the FY 2017-18 Appropriations Act. A standalone roman numeral would be considered a discrete program if not further divided into lettered items, as "I. General Administration" appears in Figure 7 below. Programs that have been separated into lettered items should be reported at that level, such as "II.A. Community Mental Health." Reporting should not be more granular than this. For instance, a program III.B. that appears in the budget with sub-items III.B.1., III.B.2., and so on should be reported on a consolidated basis in the Program Template at the III.B. level. If necessary, add an "All Other Items" as the final program to capture any additional expenditures not included above, such as certain special items.

Provide a summary of each program's purpose in Column B, followed by each program's **FY 2017-18 (Actual) and FY 2018-19 (Projected)** expenditures in the following columns. The totals in Columns F and J will be automatically calculated by the template. Finally, the relevant measures listed in FY 2017-18 Strategic Planning and Performance Measurement template should be identified for each program in Column K.

FIGURE 7. SAMPLE PROGRAM TEMPLATE

Agency Name:	DEPARTMENT OF HEALTH & HUMAN SERVICES		
Agency Code:	J020	Section:	033

Fiscal Year 2017-2018
Accountability Report

Program Template

Program/Title	Purpose	FY 2017-18 Expenditures (Actual) General	Other	Federal	TOTAL	FY 2018-19 Expenditures (Projected) General	Other	Federal	TOTAL	Associated Measure(s)
I. General Administration	Primarily provides for long-range planning, performance and clinical standards, evaluation and quality assurance, personnel management, communications, information resource management, legal counsel, financial, and procurement.	$ 3,802,375	$ 109,366	$ -	$ 3,911,741	$ 3,757,249	$ 333,985	$ -	$ 4,091,234	1.3.1, 2.3.1, 2.3.2, 3.1.1
II.A. Community Mental Health Centers	Services delivered from the 17 community mental health centers and 43 mental health clinics that include: evaluation, assessment, and intake of consumers; short-term outpatient treatment; and continuing support services.	$ 64,175,591	$ 64,432,665	$ 14,559,875	$ 143,168,130	$ 64,500,143	$ 70,835,259	$ 12,375,868	$ 147,711,269	1.1.1, 1.1.2, 1.1.3, 1.3.1, 1.3.2, 1.3.3, 1.3.4, 2.2.1, 3.2.1, 3.2.2, 3.3.3
II.B. Inpatient Behavioral Health	Services delivered in a hospital setting for adult and child consumers whose conditions are too severe to be treated in the community.	$ 48,190,331	$ 45,514,783	$ -	$ 93,705,114	N/A	N/A	N/A	N/A	1.1.1, 1.2.2, 2.1.1, 2.3.1, 2.3.2
II.C. Tucker/Dowdy-Gardner Nursing Care Center	Residential care for individuals whose medical conditions are persistently fragile enough to require long-term nursing care.	$ 4,874,517	$ 13,415,470	$ -	$ 18,289,987	N/A	N/A	N/A	N/A	1.2.2

****Please delete any unused rows up to Row 100 before submitting the template.****

VII. LEGAL STANDARDS TEMPLATE

The Legal Standards Template is an Excel spreadsheet. Agencies are required to list all state and federal statues, regulations and provisos that apply to the agency ("Laws"), and a summary of the statutory requirement and/or authority granted in the Law listed (Column E thru H). Use the drop-down arrows under the "Jurisdiction" heading in Column C, "Type of Law" heading in Column D, "Does this law specify who your agency must or may serve? (Y/N)" heading in Column I, "Does the law specify a product or service your agency must or may provide" heading in Column J and "If yes, what type of service or product?" heading in Column K to select appropriate answers.

VIII. CUSTOMER TEMPLATE

The Customer Template is an Excel spreadsheet. Agencies are required to list its customer segments by agency divisions or major programs. Use the drop-down arrows under "Customer Segments" headings in Column E to select appropriate response(s). If a division or program serves multiple sets of customers, please use separate rows to indicate each segment individually. If agencies serve the general public, industry, and/or professional organization, please specify details of these customers in Column F (Name, Demographics—Age, Gender, Income levels, Education levels, etc.).

IX. PARTNER TEMPLATE

The Partner Template is an Excel spreadsheet. Agencies are required to list all entities the agency is currently working with that help the agency accomplish its vision and mission. Use the drop-down arrow under "Type of Partner Entity" heading in Column B to choose the correct classification of partner organization. Under the "Description of Partnership" from Column D thru Column F, explain the ways the agency works with the entity (name of projects, programs, initiatives, etc.) which help the agency accomplish its vision and mission. If there is a large list of partners that all fit within a certain group, the agency can list the group instead of each partner individually. For instance, if the agency works with every middle school in the state, the agency can list "SC Middle Schools" instead of listing each middle school separately.

X. REPORT AND EXTERNAL REVIEW TEMPLATE

The separate Report and External Review Templates from prior years have been combined into one template. Agencies should list all reports submitted to a federal, state, local or outside entity during FY 2017-18 and all external reviews, audits, investigations or studies of the agency which occurred during FY 2016-17. Use the drop-down arrows under "Is this a Report, Review, or both?" heading in Column B, "Type of Entity" heading in Column E, and "Reporting Frequency" heading in Column F to choose the correct response to these fields. In Column H, agencies should summarize the information requested in the report. Under "Method to Access the Report" in Column I, agencies should explain how someone may obtain a copy of report (web link or paper copy).

Technical Assistance

THE SOUTH CAROLINA
DEPARTMENT of ADMINISTRATION

I. Technical Assistance Sessions

The Executive Budget Office of the Department of Administration will organize technical assistance sessions for agency leaders. Senior management and individuals, who complete the strategic planning template and the major program template, are **strongly encouraged** to attend technical assistance sessions in August 2018. The training schedule will be communicated to all agencies in late July.

Additionally, agencies are welcome to contact Abhijit "Abhi" Deshpande, Performance Improvement and Transparency Manager at (803) 737-0699 or Abhijit.Deshpande@admin.sc.gov to seek individual guidance and/or feedback while completing their reports.

II. Developing Agency Goals, Strategies and Performance Measures

The focus of agency's goals, strategies and performance measures should be future-looking and they should communicate the agency's long-term strategic priorities, approaches and actions to be implemented for the upcoming fiscal year (FY 2018-19). Agencies are required to apply the following set of common definitions and the **S.M.A.R.T.** framework (Figure 1) to form their goals, strategies and performance measures. The **S.M.A.R.T.** framework calls for the creation of goals and performance measures that are **specific, measurable, attainable, relevant and time-bound** in nature.

Goal:

- A broad expression of a central, strategic priority for an agency; a statement of what the agency hopes to achieve – typically in the long-term – that is qualitative in nature.
- At the highest level, each agency's goals should logically and naturally derive from the agency's mission statement.
- Ideally **3-5 high-level goals** are recommended.

Strategy:

- A concise statement of a high-level approach an agency is taking in pursuit of a goal.
- A descriptive, complex action comprised of multiple action steps.
- Starts with action verbs such as develop, design, establish, enhance, implement etc.
- Includes details such as budget, staffing, IT plan, marketing campaign etc.
- Ideally **2-3 strategies** are recommended per goal.

Performance Measure:

- A specific, quantifiable and achievable indicator used to assess how well your agency is achieving its desired goals over a defined period.
- Ideally **2-3 performance measures** are recommended per strategy.

Figure 1. S.M.A.R.T Framework

Specific:

- Who is to be involved? What is to be accomplished? Where is it to be done? When is it to be done?
- A specific goal or strategy is distinct and defines as much of the goal or strategy as possible and contains no ambiguous language.
- It will state exactly what the agency intends to accomplish.

Measurable:

- From X and To Y, How much/many? How will you know when it is accomplished?
- Includes base-line data and a target toward which progress can be measured.

Attainable:

- Should be a realistic possibility that a goal or strategy can be accomplished.
- Does NOT mean or imply that goal or strategy should be easy. On the contrary, a goal or strategy should be challenging.
- A goal that can no longer be achieved should be altered or abandoned.

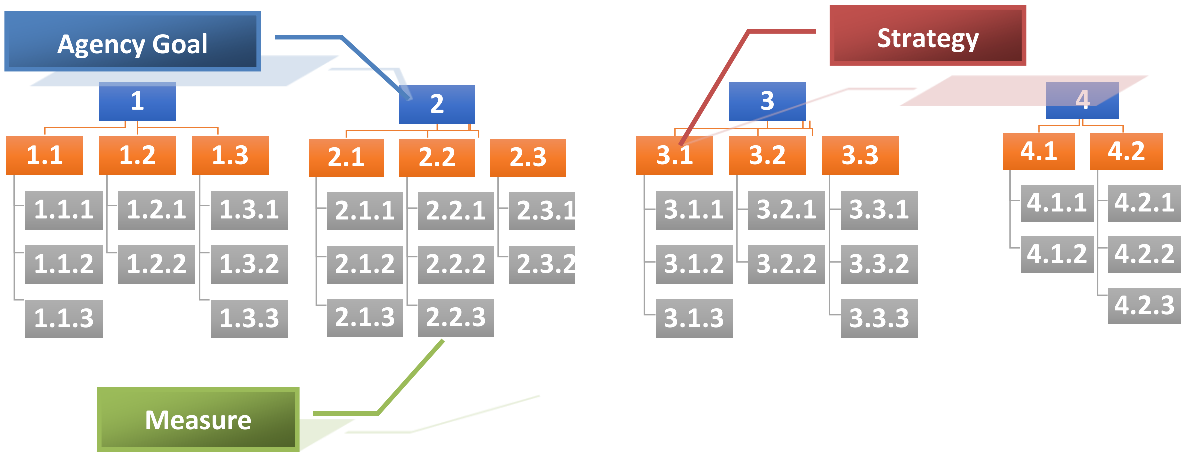
Relevant:

- Goal or strategy should be appropriate to and consistent with the mission and vision of the agency.
- Each goal or strategy should be one that moves the agency toward the achievement of its vision.
- All short-term goals must be relevant and consistent with the longer-term and broader goals of the agency.

Time-bound:

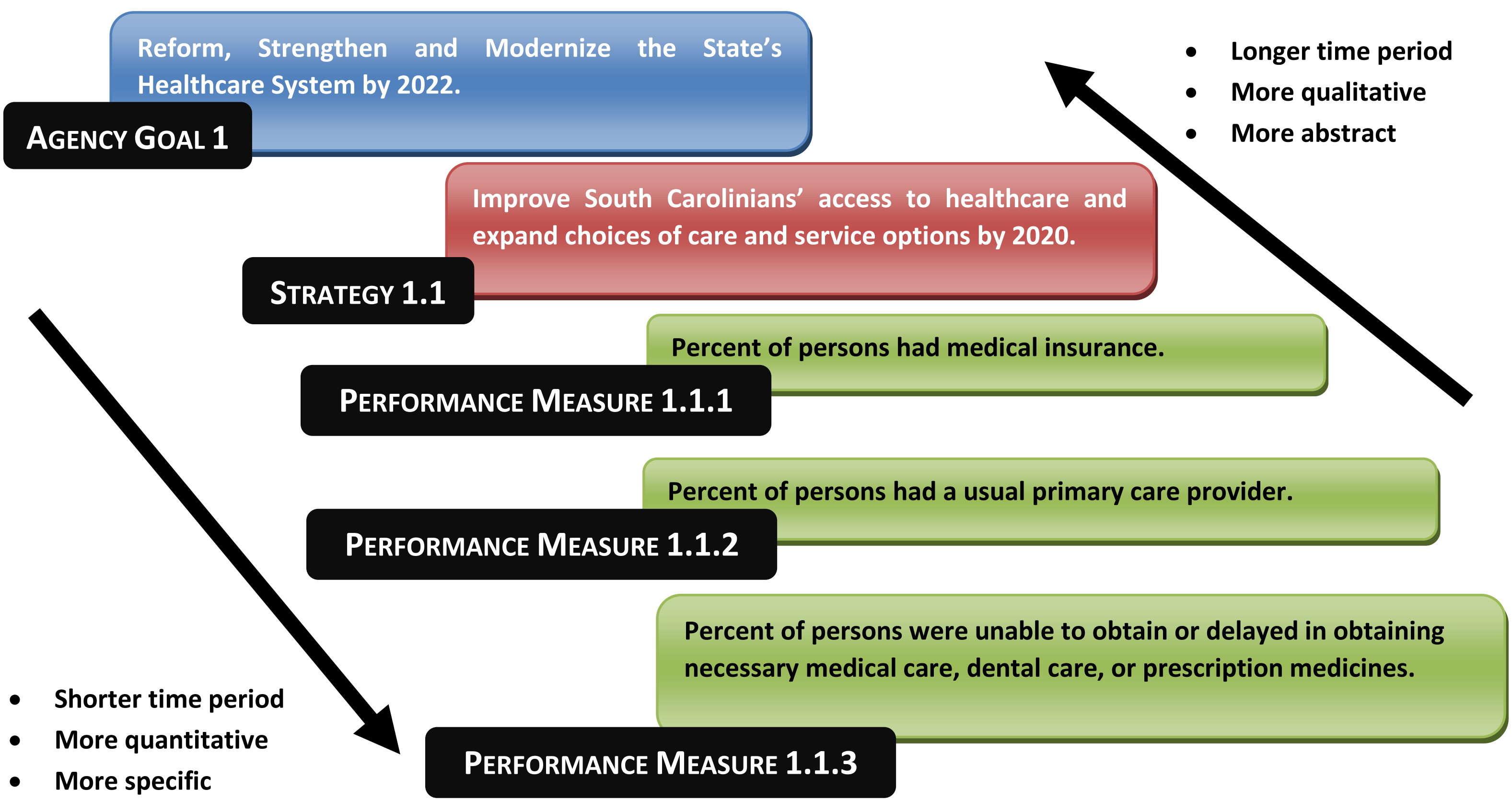
- Finally a goal or strategy must be bound by time. That is, it must have a starting and ending point.
- Includes time-bound baseline and target (X as of date to Y by date).

FIGURE 2. HIERARCHY OF GOALS, STRATEGIES AND PERFORMANCE MEASURES



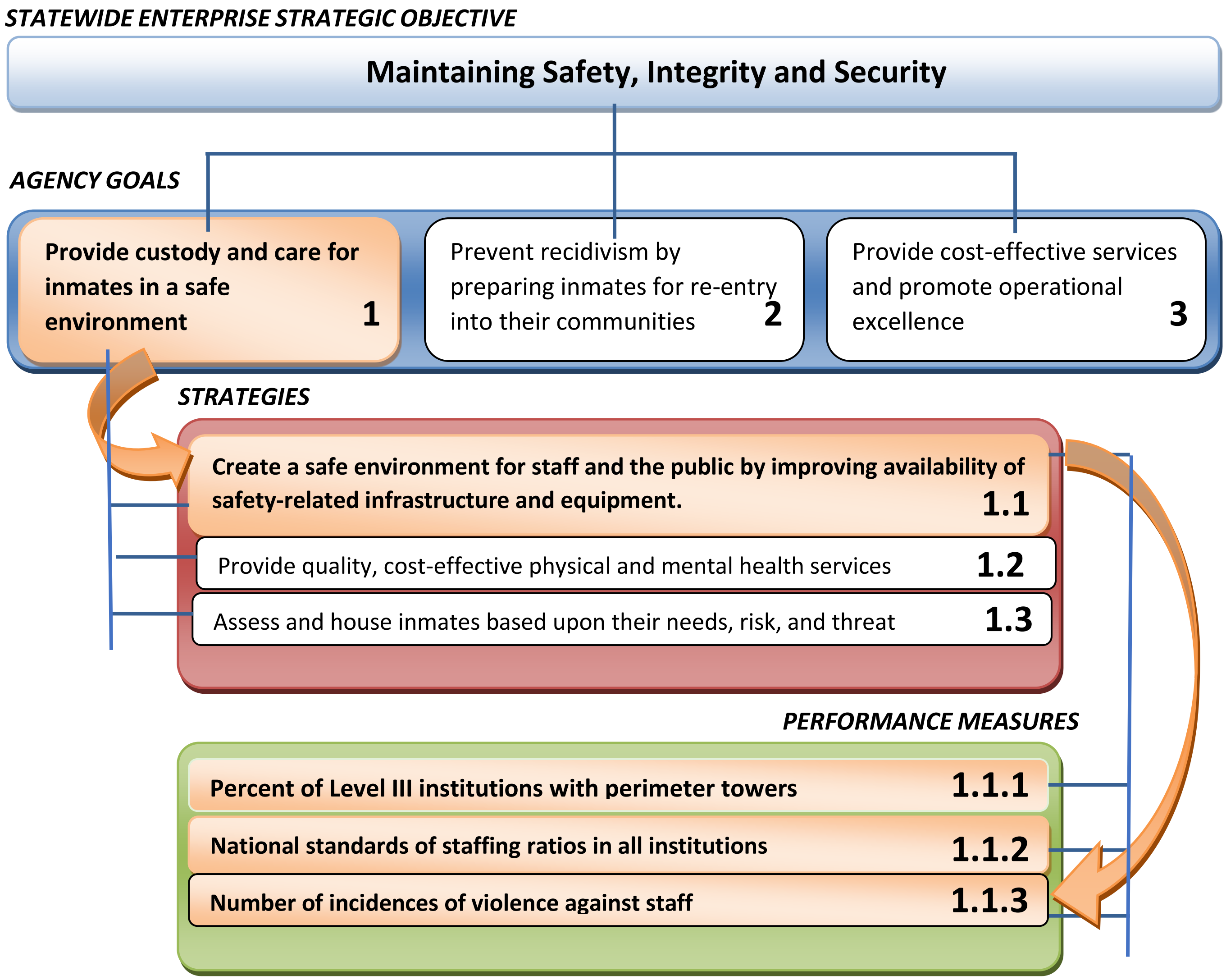
After defining their goals, agencies should take a "top-down" approach to selecting their strategies and performance measures (Figure 2). Below is an example from a higher education institution that shows how an agency goal can point to a strategy and how a specific performance measure can follow from that strategy (Figure 3).

FIGURE 3. RELATIONSHIP OF GOAL, STRATEGY AND PERFORMANCE MEASURE



To give a more detailed example of the progression from goals to strategies and then performance measures, Figure 4 drills-down through the full conceptual hierarchy at the Department of Corrections, tracing a path that leads to various measures of the availability of safety-related equipment in state prisons.

FIGURE 4. PROGRESSION FROM AGENCY PRIORITY TO PERFORMANCE MEASURE – DEPARTMENT OF CORRECTIONS



PERFORMANCE MEASURE VALUES

	Base Value	Target Value	Actual Value
Percent of Level III institutions with perimeter towers	**20%**	**35%**	**30%**
National standards of staffing ratios in 90% institutions	**40%**	**90%**	**65%**
Incidences of violence against staff by 50%	**65**	**32**	**25**

III. SELECTING PERFORMANCE MEASURES

A sound performance measure should provide information that is meaningful and useful to decision-makers to better manage agency's daily operations. Agencies must concentrate on the most important measures of performance. Performance measures must focus on outcomes, efficiencies and outputs, and must provide accurate, consistent information over time. Figure 5 illustrates the types of measures that an agency may use to report its performance.

FIGURE 5. TYPES OF PERFORMANCE MEASURES

OUTCOME MEASURE

Answers: Is anyone better off?

- A quantifiable indicator of the public and customer benefits from an agency's actions.
- Outcome measures are used to assess an agency's effectiveness in serving its key customers and in achieving its mission, goals and strategies.
- They are also used to direct resources to strategies with the greatest effect on the most valued outcomes.
- Outcomes measure results and should be the **first priority.**

- **Examples:** % of university students graduating in four years, % of establishments inspected annually, % of licensees with no violations.

EFFICIENCY MEASURE

Answers: How well?

- A quantifiable indicator of productivity expressed in unit costs, units of time, or other ratio-based units.
- Efficiency measures are used to assess the cost-efficiency, productivity, and timeliness of agency operations.
- Efficiencies are indicators that measure the efficient use of available resources and should be the **second priority.**

- **Examples:** average cost per case, average cost per inspection, average time for complaint resolution.

Output Measure

Answers: How much?

- A quantifiable indicator of the number of goods or services an agency produces.
- Output measures are used to assess workload and the agency's efforts to address demands.
- Outputs measure workload and efforts and should be the **third priority**.

- **Examples:** # of clients served for substance abuse, # of inspections conducted, # of business license applications processed.

Input/Explanatory Measure

Answers: What did we use?

- Resources that contribute to the production and delivery of a service. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
- Measures the factors or requests received that explain performance (Explanatory).
- These measures should be the **last priority.**

- **Examples:** # case workers recruited, # of inspectors, # of requests for inspection/complaints received.

Statutory Provisions

THE SOUTH CAROLINA
DEPARTMENT of ADMINISTRATION

STATUTORY PROVISIONS RELATED TO THE ANNUAL ACCOUNTABILITY REPORT

Section 1-1-810. Annual accountability reports by agencies and departments of state government.
Each state agency and department of state government shall submit an annual accountability report to the Governor and the General Assembly covering a period from July first to June thirtieth, unless otherwise directed by the specific statute governing the department or institution.

Section 1-1-820. Contents of annual accountability reports.
The annual accountability report required by Section 1-1-810 must contain the agency's or department's mission, objectives to accomplish the mission, and performance measures that show the degree to which objectives are being met.

FY 2018-19 Appropriations Act, Proviso 117.29.
(GP: Base Budget Analysis) Agencies' annual accountability reports for the prior fiscal year, as required in Section 1-1-810, must be accessible to the Governor, Senate Finance Committee, House Ways and Means Committee, and to the public on or before September fifteenth, for the purpose of a zero-base budget analysis and in order to ensure that the Agency Head Salary Commission has the accountability reports for use in a timely manner. Accountability Report guidelines shall require agencies to identify key program area descriptions and expenditures and link these to key financial and performance results measures. The Executive Budget Office is directed to develop a process for training agency leaders on the annual accountability report and its use in financial, organizational, and accountability improvement. Until performance-based funding is fully implemented and reported annually, the state supported colleges, universities, and technical schools shall report in accordance with Section 59-101-350.